SUPREME COURT, U. S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1974

No. 74-727

NORMAN H. GRANT, ET AL., *Petitioners*

v.

HERBERT H. SILVESTRI, ET AL., *Respondents*

PETITIONERS' REPLY

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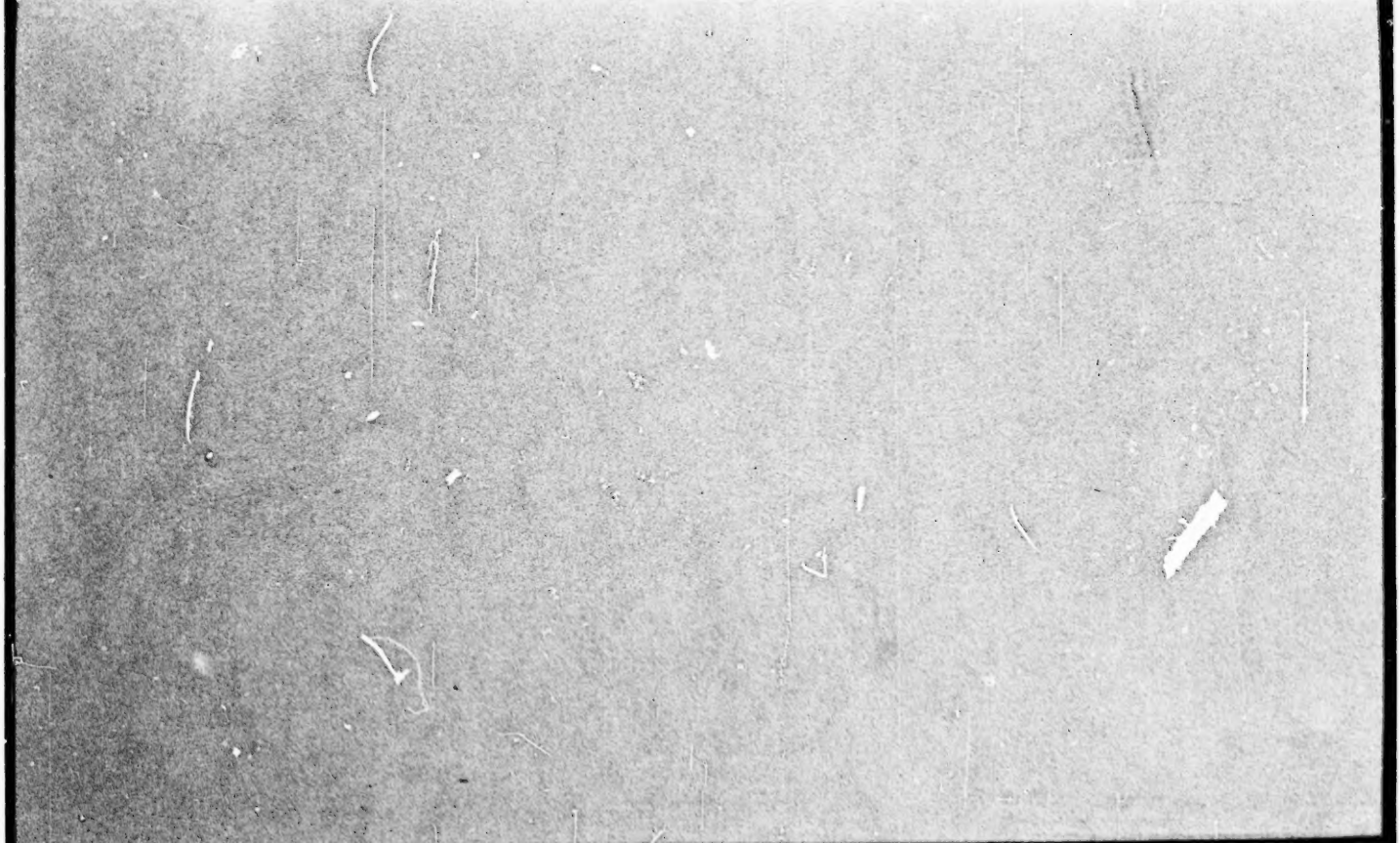
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On Petition for a Writ of Certiorari to the United States Court of Customs and Patent Appeals

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PETITIONERS' REPLY MEMORANDUM

Respondents' Opposition wholly misconceives the reasons why petitioners urge the Court to take this case. Of course petitioners seek ultimately to prevail on the merits. To do so, this Court must now step in. But clearly that is no sufficient reason for this Court to grant a writ of certiorari. And the petition is based on no such argument. Therefore, respondents' opposition stressing the merits of this case is beside the point.

I.

Petitioners have indicated this is a case of first impression. Respondents attempt to meet that claim by pointing out that the Court has on a number of previous occasions denied petitions for a writ of certiorari to the Court of Customs and Patent Appeals in cases arising out of decisions of the Board of Patent Interferences. However, they cannot point to a single case —because none exists—in which this Court has *granted* the writ. Petitioners suggest that this important phase of the work of the Patent Office and of the CCPA in reviewing that work urgently needs a first look by this Court. Respondents cite no reason why it does not.

Quite aside from its novelty, this is an important case: First, because the interference practice involves a significant number of patents and probably a high proportion of the patents most important to the Nation's economy.[1] The integrity of that practice in accordance with the statutory scheme and with the concepts of due process should be assured. Second, the very patent here at issue is related to an important

[1] Without having undertaken a statistical analysis to support this assumption, petitioners believe it is probably true. The fact that an interference is declared reflects that at least two parties were working on the same problem and claim to have solved it in essentially the same way. This suggests a breadth of recognition of a problem requiring solution. Further, interference proceedings tend to be lengthy, complex and, accordingly, expensive. They are generally not pursued without the strong economic incentive that the emerging patents are likely to be of genuine significance. The last available annual report of the Patent Commissioner indicates that during the fiscal year ended June 30, 1973 there were 631 interferences then pending before the Board and that during the same year 383 new cases were declared. Commissioner of Patents Annual Report Fiscal Year 1973, Table 12, p. 13 (1973).

pharmaceutical product on which the patent monopoly will be extended at least nine years unless the decision below is reversed.

II.

Petitioners' second reason for requesting a writ is that the decision of the CCPA in this case conflicts both with other decisions of the coordinate Courts of Appeals and with its own precedents. Respondents attempt to meet that point by arguing that the Board of Patent Interferences is not bound by the Federal Rules of Civil Procedure and that, accordingly, the CCPA is not bound by the same review criteria as the other Courts of Appeals. Further, they cite some decisions of Courts of Appeals which might be in accord with what petitioners view as an aberrational role for an appellate tribunal.

Petitioners do not contend that the Board of Patent Interferences is bound by Rule 52 of the Federal Rules of Civil Procedure. They do urge this Court to interpret for the first time the statutes under which the relationship between the Board and the CCPA is delineated. They do ask this Court to instruct the CCPA on its proper role as an appellate tribunal. On the only two occasions that this Court has reviewed on the merits decisions of the CCPA, the CCPA's decisions have been found lacking.[2] But the CCPA is an important court. As in this case, its decisions can have an impact far wider than on the parties before it. Its work not only deserves, it demands, greater scrutiny by this Court.

Petitioners' argument is simply this: In patent cases, as elsewhere, the trial tribunal and not the appellate

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[2] *Brenner* v. *Manson*, 383 U.S. 519 (1966); and *Gottschalk* v. *Benson*, 409 U.S. 63 (1972).

tribunal has the duty and responsibility to make the initial, critical factual determinations on which a legal decision is then based. This is the preferred rule among the Courts of Appeals. It is an occasional rule of the CCPA. In a decision of November 14, 1974, that Court, itself, indicated that in interferences it recognizes the desirability of referring to the Board the job of finding the facts for "the avoidance of a possible miscarriage of justice." *Mikus and Shaffer v. Wachtel*, 504 F.2d 1150, 1152 (CCPA 1974).[3] Petitioners ask not only why they are not also to be accorded a procedure "to avoid injustice," but whether this Court should not intervene to give some direction and uniformity to the CCPA's procedures in patent cases.

Petitioners' point is not to argue whether the determinations of the initial trier of facts must be formally denominated "Findings of Fact" or whether the Commissioner of Patents must adopt that terminology for contested cases under his jurisdiction. Their point is

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[3] There is an added reason why it is an "injustice" for the CCPA, itself, to become the first trier of facts. By ruling in the first instance on such an issue against the *appellee* in a case before it, the procedure effectively denies that party the statutory right it would have were it a party against whom the *Board* had ruled to elect review either by the CCPA under 35 USC § 141 or by a United States District Court under 35 USC § 146. And in a District Court proceeding under § 146, the party aggrieved could seek to discover and introduce additional evidence bearing on the issue if it felt that the Board's ruling was unsupported by the existing record. However, when the CCPA usurps the role of initial fact finder, the party against whom the finding is made has an opportunity for review by *neither* the District Court *nor* another, independent appellate agency. It has, at most, the twin and heretofore theoretical opportunities to seek review by rehearing by the CCPA itself or certiorari from this Court.

that if the Court of Customs and Patent Appeals is to be what Congress has said it is supposed to be—an Article III court coordinate with the United States Courts of Appeals—it must act as an appellate court. That implies an obligation to *review* determinations by an initial fact finder. Arrogating such a role to itself is not what Congress meant. Worse, as here, it denies the party against whom such a finding is made, any meaningful opportunity for appellate review.

III.

Respondents' misconception of petitioners' arguments is perhaps best illustrated by their discussion of petitioners' third reason for granting the writ, namely, that the CCPA's action departs from normal procedures of appellate review. They say

> "the CCPA did not become 'a trier of facts' since it decided the issue of abandonment, suppression or concealment based upon the evidence which was developed before the Board of Patent Interferences." Opposition, p. 11.

They go on to say that

> "that court could not have awarded priority to respondents without deciding that issue." Opposition, p. 12.

It is petitioners' point that the CCPA erred precisely because it was the first body to decide the issue of abandonment, suppression or concealment based on its view of the evidence. What else does it mean to be a "trier of facts"? It is obviously being a "trier" if one first decides what the facts are that lead to a particular legal conclusion. Similarly, when respondents speak of the CCPA's "award of priority"

they only confirm petitioners' argument that the CCPA is assuming a role it has not been given. It is not the function of the CCPA to award priority to anyone. It is the function of that Court to *review* the record of the proceedings before the agency of the Patent Office that by statute has the obligation to award priority. The CCPA can *affirm* or *reverse* those determinations; it cannot itself substitute itself for the Patent Office tribunal.[4]

On the very issue of abandonment, suppression and concealment with which petitioners are concerned, the recent decisions of the CCPA reflect a determination by that Court to substitute its own judgments for those of the Board. See, e.g., *Brokaw* v. *Vogel*, 429 F.2d 476 (CCPA 1970), in which the Board was reversed, and *Young* v. *Dworkin*, 489 F.2d 1277 (CCPA 1974), in which the Board was affirmed. Of all this the editors of Patent Law Perspectives can only and perhaps cynically point out that the CCPA "has refused to shackle itself with any rigid formula." 3 *Donner, Gambrell & Kayton, Patent Law Perspectives* § C.10 (1974 Developments).

It is the existence of decisions in *inter partes* patent cases by an unreviewed and effectively unreviewable

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[4] Respondents' suggestion that a remand for an initial decision by the Board would be meaningless in light of the influence the existing decision of the CCPA would have is an unwarranted reflection on the Board. If the decision of the CCPA is vacated by this Court, that decision *pro tanto* will be as though it had never existed. There is no reason to believe the Board would not in that event forthrightly and afresh consider all of the relevant evidence and make its own independent findings of fact and reach its own legal conclusions on the issue of abandonment, suppression or concealment, without regard to what might or might not happen "upon a further appeal."

Court of which petitioners complain. On behalf of all patentees they urge this Court to take its first look into the merits of this important matter.

IV

Respondents argue that this is not the type of case that should be summarily decided and remanded for further proceedings in accordance with this Court's interpretation of the law since this Court has never before decided the issue petitioners raise. They claim *Camp* v. *Pitts*, cited in the petition as an example of a case in which the Court granted a writ of certiorari and without oral argument or further briefs reversed and remanded for further proceedings, is distinguishable because there the Court's decision was squarely governed by precedent. In fact, *Camp* was not so governed. The Court noted that "Unlike *Overton Park* [the allegedly precedential and binding authority] in the present case there was contemporaneous explanation of the agency action." 411 U.S. at 143. The Court then went on to discuss the distinction and nevertheless reverse and remand summarily. This is a practice the Court has followed in a wide variety of cases, frequently in those which, as this one, present what is essentially a procedural issue requiring an interpretation of federal law or the Federal Rules. Whether that issue was or was not previously decided by the Court has never been controlling. See, e.g., *Phillips Petroleum Co.* v. *Texaco, Inc.*, 415 U.S. 125 (1974) (Claim seeking compensation for constituent of otherwise federally price-controlled gas sold to a private party does not "arise under the Constitution or federal law" for jurisdictional purposes); *Northcross* v. *Memphis Board of Education*,

412 U.S. 427 (1973) (Discretionary denial of attorneys' fees authorized under Emergency School Aid Act of 1972 requires statement of reasons); *United States* v. *Indrelunas*, 411 U.S. 216 (1973) (Fed.R.Civ.P. 58, as amended, requires that "judgment" be on separate document for purpose of determining when it is entered in computing time for taking appeal); *Arnold Tours, Inc.*, v. *Camp*, 400 U.S. 45 (1970) (Travel agents have standing to object to Comptroller of the Currency's decision allowing banks to provide incidental travel services).

Petitioners believe that this case is just the type for which comparable summary disposition is appropriate.

Respectfully submitted,

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